



Executive Staff:

Eric Stern
Chief Executive Officer

Margo Allen
Chief Operations Officer

Steve Davis
Chief Investment Officer

Keith Riddle
Chief Benefits Officer

Timothy Taylor
Chief Technology Officer

Jason Morrish
General Counsel

MINUTES

REGULAR MEETING OF THE BOARD OF RETIREMENT

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Members of the Board of Retirement:

James Diepenbrock, President
Appointed by the Board of Supervisors

Robert Aguallo, Jr., Vice President
Appointed by the Board of Supervisors

Keith DeVore
Appointed by the Board of Supervisors

Ronald Suter
Appointed by the Board of Supervisors

Chad Rinde
Ex Officio, Director of Finance

Alina Mangru
Elected by the Miscellaneous Members

M. Tapa Banda
Elected by the Miscellaneous Members

Jack Noble
Elected by the Safety Members

Chris Giboney
Elected by the Safety Members (Alternate)

Martha Hoover
Elected by the Retired Members

Dave Irish
Elected by the Retired Members (Alternate)

WEDNESDAY, March 20, 2024
10:00 A.M.

Location: SCERS Board Room
980 9th Street, 19th Floor
Sacramento, California 95814

Live-stream at www.scers.org

OPEN SESSION

Item 1. Call to Order/Roll Call

President Diepenbrock called the meeting to order at 10:00 a.m. Eric Stern, Chief Executive Officer, took roll call.

Board Members Present: Diepenbrock, Aguallo, DeVore, Suter, Rinde, Mangru, Banda Noble, Hoover, Irish.

Board Members Absent: Giboney

Also present: Eric Stern, Chief Executive Officer; Margo Allen, Chief Operations Officer; Steve Davis, Chief Investment Officer; Tim Taylor, Chief Technology Officer; Keith Riddle, Chief Benefits Officer; Jason Morrish, General Counsel; Jim Donohue, Deputy Chief Investment Officer; Brian Miller, Senior Retirement Investment Officer; Kevin Fine, Retirement Services Analyst; Vinny Ortega, Senior Office Specialist (c).

Item 2. Public Comment

None.

CONSENT MATTERS—Items 3–8:

A motion was made by Board Member DeVore, seconded by Board Member Rinde, to approve the recommendations on Consent Calendar Items 5-8. **(Adopted 9-0.)** Items 3 and 4 were pulled for separate consideration as referenced below.

Item 3. Minutes of the February 21, 2024 Regular Meeting

Approve the minutes of the February 21, 2024.

Board Member Suter noted a discrepancy in the minutes regarding his attendance at the February Board meeting. A motion was then made by Board Member Suter, seconded by Board Member Hoover, to approve the recommendation on Item 3, modified to correctly reflect Board Member Suter's absence. **(Adopted 9-0.)**

Item 4. Disability Retirement Applications

Adopt Staff's recommendations for the following Disability Retirement Applications:

- A. LEAHY-GRAHAM, Megan (Assistant Deputy Clerk/Recorder, County Clerk/Recorder): Grant a non-service-connected disability retirement.
- B. ROBERTSON, Michael (Sheriff Sergeant, Sheriff's Department): Grant a service-connected disability retirement.

Vice President Aguallo inquired generally about the budget and employer responsibility for costs of medical examinations. Mr. Morrish indicated that he would review and advise regarding SCERS' statutory obligations. A motion was then made by Vice President Aguallo, seconded by Board Member Noble, to approve the recommendation on Item 4. **(Adopted 9-0.)**

Item 5. Ratification of Service Retirement Application Approvals—February 2024

Ratify the service retirement applications that were finalized in February 2024.

Item 6. State Association of County Retirement Systems Legislative Update—March 2024

Receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for March 2024.

Item 7. Board Policies

Approve amendments to or re-affirm the following Board policies:

- A. Alternative Asset Investment Standard of Care Policy
- B. Board and Staff Trading Policy
- C. Electronic Signatures Policy

Item 8. Monthly Report of Investment Activity—March 2024

Receive and file the Monthly Report of Investment Activity—March 2024.

EXECUTIVE REPORTS:

Item 9. Chief Executive Officer's Report (no action requested)

Mr. Stern noted that Form 700 disclosures are due by April 2 and provided the following updates on upcoming education conferences:

- May 6-9: IFEBP Portfolio Concepts and Management (Wharton), Philadelphia, PA.
- May 7-10: SACRS Spring Conference, Santa Barbara
- May 19-22: NCPERS Annual Conference, Seattle
- July 14-17: SACRS/UC-Berkeley Investment Program, Berkeley
- July 22-24: IFEBP Advanced Investment Management, San Francisco
- October 26-30: NCPERS Program for Advanced Trustee Studies, Palm Springs, CA
- November 12-15: SACRS Fall Conference, Monterey

Item 10. Chief Investment Officer’s Report (no action requested)

Mr. Davis indicated that he was yielding his time to allow more time for the investment-related items later on the agenda.

Item 11. Chief Benefits Officer’s Report (no action requested)

Mr. Riddle reported that, as indicated in Agenda Item 5, the team processed 58 retirement applications in February. He further advised that SCERS anticipated more than two disability retirement recommendations for the month of February, but a few required additional confirmation and validation and they will be placed on upcoming meeting agendas when finalized.

Mr. Riddle indicated that SCERS would be hosting a Pension Planning Webinar, along with the County EBO, Fidelity Investments, Social Security and SCREA on March 21, 2024 from 10:00 a.m. – 12:00 p.m.

ADMINISTRATIVE MATTERS:

President Diepenbrock announced, without objection from the Board, that the investment items on the agenda (Items 14-19) would be considered before the administrative items due to scheduling and travel issues for certain presenters.

Item 12. CEO Delegated Authority Policy for Expenses

Approve amendments to CEO Delegated Authority Policy for Expenses regarding travel reimbursement and other clarifications.

Mr. Stern presented this item. Following discussion, including comments from Board Member Suter and others about exploring a stand-alone travel policy, a motion was made by Board Member Suter, seconded by Board Member DeVore, to approve amendments to CEO Delegated Authority Policy for Expenses regarding travel reimbursement and other clarifications. **(Adopted 9-0.)**

Item 13. 2024-25 Budget Preview

Receive and file presentation regarding anticipated changes in SCERS’ 2024-25 annual budget.

Mr. Stern presented this item, with assistance from Ms. Allen and Mr. Taylor. Board Member Rinde (1:57 p.m.) departed the meeting during this discussion. Following discussion, a motion was made by Board Member Mangru, seconded by Board Member Suter, to receive and file presentation regarding anticipated changes in SCERS’ 2024-25 annual budget. **(Adopted 8-0.)**

INVESTMENT MATTERS:

Item 14. Global Equity: Manager Recommendation

Approve an investment of approximately \$130 million with Arrowstreet Capital LP (ACWI Alpha Extension 130/30/20 strategy) and authorize the Chief Executive Officer to execute any necessary documents or agreements; and, authorize Staff to determine the most effective method for transitioning assets and execute any necessary documents or agreements to effectuate the transition of assets.

Mr. Davis presented this item, with assistance from Mr. Miller, and Michael Ahern and Anne Luisi of Arrowstreet Capital LP. Following discussion, a motion was made by Board Member Noble, seconded by Board Member Suter, to approve an investment of approximately \$130 million with Arrowstreet Capital LP (ACWI Alpha Extension 130/30/20 strategy) and authorize the Chief Executive Officer to execute any necessary documents or agreements; and, authorize Staff to determine the most effective method for transitioning assets and execute any necessary documents or agreements to effectuate the transition of assets. **(Adopted 9-0.)**

Item 15. Proxy Voting Policy

Approve amendments to Proxy Voting Policy to permit investment managers to vote proxies on SCERS' behalf in certain circumstances.

Mr. Davis presented this item. Following discussion, a motion was made by Board Member DeVore, seconded by Board Member Rinde, to approve amendments to Proxy Voting Policy to permit investment managers to vote proxies on SCERS' behalf in certain circumstances. **(Adopted 9-0.)**

Item 16. Annual Investment Operations Report

Receive and file Annual Investment Operations Report for 2023.

Mr. Davis presented this item, with assistance from Mr. Miller and Mr. Morrish. Following discussion, a motion was made by Board Member Suter, seconded by Board Member Rinde, to receive and file Annual Investment Operations Report for 2023. **(Adopted 9-0.)**

Item 17. Quarterly Investment Performance Report—Alternative Assets

Receive and file the performance report for the periods ended December 31, 2023 for the Absolute Return portfolio, and the periods ended September 30, 2023 for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater, LLC.

Jamie Feidler of Cliffwater, LLC presented this item. Following discussion, a motion was made by Board Member Rinde, seconded by Board Member Mangru, to receive and file the performance report for the periods ended December 31, 2023 for the Absolute Return portfolio, and the periods ended September 30, 2023 for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater, LLC. **(Adopted 9-0.)**

Item 18. Quarterly Investment Performance Report—Real Estate

Receive and file the performance report on real estate investments for the quarter ended December 31, 2023, as presented by Townsend Group.

Mr. Davis presented this item, with assistance from Richard Brown and Chris Cunningham of the Townsend Group. Following discussion, a motion was made by Board Member Noble, seconded by Board Member Mangru, to receive and file the performance report on real estate investments for the quarter ended December 31, 2023, as presented by Townsend Group. **(Adopted 9-0.)**

Item 19. Education: Absolute Return Asset Class

Receive and file presentation on Absolute Return asset class.

Mr. Davis presented this item, with assistance from Mr. Miller. Following discussion, a motion was made by Board Member Mangru, seconded by Board Member Suter, to receive and file presentation on Absolute Return asset class. **(Adopted 9-0.)**

OTHER MATTERS:

Item 20. Comments from Members of the Board of Retirement

Board Members DeVore and Irish expressed concern about technical issues relating to presentation slides.

At 2:01 p.m., President Diepenbrock called for closed session.

CLOSED SESSION

Item 21. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Pursuant to Government Code Section 54956.9(d)(2), this session shall be closed for the Board to discuss significant exposure to litigation to which SCERS may be a party in one (1) case.

Item 22. PERSONNEL MATTERS—EMPLOYEE DISABILITY RETIREMENT APPLICATIONS

Pursuant to Government Code Section 54957(b), this session shall be closed for the Board to discuss the employment of public employees, specifically, the disability retirement applicants referenced in Item 4, above. This item will be withdrawn in whole or in part if approved on Consent as recommended by staff.

At 2:09 p.m., President Diepenbrock reconvened the meeting in Open Session and stated that there was nothing to report on Item 21, and that Item 22 was withdrawn in light of the Board's action on Item 4.

ADJOURNMENT

President Diepenbrock adjourned the meeting at 2:11 p.m.



Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
April 17, 2024**

AGENDA ITEM:

Minutes of the March 20, 2024 Regular Meeting

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to approve the minutes of the March 20, 2024 Regular Meeting.

I HEREBY CERTIFY that the above order was passed and adopted on April 17, 2024 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:

(Present but not voting)

James Diepenbrock
Board President

Eric Stern
Chief Executive Officer and
Board Secretary